

Message Text

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64

ACTION ARA-10

INFO OCT-01 ISO-00 CIAE-00 DODE-00 INR-07 NSAE-00 PA-01

USIA-06 PRS-01 SP-02 COME-00 EB-07 LAB-04 SIL-01

FEA-01 INT-05 OES-03 AID-05 TRSE-00 H-02 /056 W

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FM AMEMBASSY CARACAS

TO SECSTATE WASHDC 1723

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E.O. 11652: N/A

TAGS: ELAB, ECON, VE

SUBJECT: JAVITS' COMMENTS ON SEVERANCE PAY FOR OIL WORKERS

REF: CARACAS 609

1. AS REPORTED IN USINFO REPORT OF THAT PORTION OF SENATOR JAVITS' SPEECH ABOUT HIS TRIP TO LATIN AMERICA RELATING SPECIFICALLY TO VENEZUELA, HE COMMENTED ON THE INFLATIONARY IMPACT OF PAYING PETROLEUM WORKERS THEIR SEVERANCE BENEFITS IN CASH. MANY RESPONSIBLE VENEZUELANS PRIVATELY SHARE THE SENATOR'S CONCERN BUT NONE, TO THE BEST OF OUR KNOWLEDGE, HAVE PUBLICLY SURFACED THIS ASPECT OF PAYING THE PETROLEUM WORKERS 50 PERCENT OF THEIR SEVERANCE BENEFITS IN CASH (ESTIMATED TO TOTAL AS MUCH AS FIVE HUNDRED MILLION DOLLARS).

2. IT APPEARS UNLIKELY THAT THE LOCAL PRESS WILL PICK UP THE SENATOR'S REMARKS NOW SINCE THE SPEECH WAS DELIVERED SEVERAL DAYS AGO. THE POINT HAS ALSO BECOME SOMEWHAT MOOT SINCE THE GOV, IN FACT, PRESSURED THE BANKS HOLDING THE TRUSTS TO AGREE TO MAKE NO-INTEREST LOANS TO THE WORKERS UP TO HALF THE AMOUNT OF THEIR SEVERANCE BENEFITS.

2. THE SENATOR'S SPEECH CONTAINS A MINOR FACTUAL ERROR. ALMOST ALL OF THE SEVERANCE PAY WAS ALREADY DEPOSITED IN TRUST ACCOUNTS

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IN PRIVATE BANKS PRIOR TO NATIONALIZATION. THE QUESTION OF

HOW TO GIVE WORKERS ACCESS TO 50 PERCENT OF THIS MONEY HAS BEEN
RESOLVED AS EXPLAINED ABOVE.
SHLAUDEMAN

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
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Concepts: LABOR RELATIONS, PETROLEUM, LABOR STRIKES, SUPPLEMENTAL UNEMPLOYMENT BENEFITS, SPEECHES
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Copy: SINGLE
Draft Date: 27 JAN 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: ShawDG
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Disposition History: n/a
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